

4. Travel Requests— There were ten (10) travel requests in the amount of \$27,245.78 to be presented for approval at the February 14, 2017 Finance & Capital Committee meeting. VP Reznik advised that the reason for the amount of travel requests this month is that there are seven (7) people traveling to Florida for the Ellucian conference. This is an annual conference necessary for individuals to maintain and expand their knowledge in the use of the Banner system. IT personnel as well as administrators who extensively use the Banner system will be in attendance. CIO Lawless was present should Board members have any questions on the travel. A motion was made and all travel requests were approved.

5. Donation—Sunrise Labs—A motion was made and all were in favor of presenting the donation to the full Board of Trustees for approval.

6. Discussion—2017 Projected Operating Results. 2018 Budget Process - As part of the budget process for 2018, we accumulate the results of the current year operations. In compiling the budget, there are some unknowns such as the final rates for health insurance and the contributions and the defined benefit plan for the NCCFT.

VP Reznik advised that in January or the beginning of February the Finance Department has most of the enrollment numbers for the fall and spring semesters, and most of the payroll data can actually be projected. When the projection is compiled, each semester is looked at separately since we are in a cyclical business.

VP Reznik continued with a Power Point presentation.

Salaries are approximately \$675,000 over budget; fringe benefits are lower; overall salaries & fringe benefits are lower by 1.29%.

OTPS (equipment and utilities) are on or close to budget. The debt service payment includes interest on the NCCFT bond and interest and principal for the VSIP (CSEA) retirement bond.

Short discussion followed. Vice Chair Weiss inquired about final expenses. Some expenses are still projections, for example, the first payment for the Adjunct faculty is not until late February; adjuncts are paid in seven (7) checks during the semester. We will be able to have more solid numbers at the next meeting.

Revenues were presented line by line. Use of Fund Balance was not budgeted in the 2017 budget. Investment income is projected to be in budget. Rents and Recoveries are an average amount and are anticipated to be approximately this amount. Revenue offset to expenses which includes Life Long Learning, Barnes & Noble, and Cafeteria services is projected to be close to budget.

Service Fees (fees associated with tuition) if the number is down, it is due to the decrease in enrollment. We anticipated a 5% decrease however, fall decreased by 6.9%, winter decreased by 7%, and spring decreased by 7.7%. Traditionally the enrollment for the spring semester is lower than the fall semester.

Further discussion followed regarding retention. Board members would like a formal report from the Retention Committee at the March meeting.

Discussion regarding the governor's proposal followed.

Fund Balance – We are going to have \$1.2 million of operating loss for FY 2017. This will leave Fund Balance at about 5.6%.

In March, more information will become available on expenses, salaries and assumptions. VP Reznik will be able to present some scenarios for the 2018 Budget.

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance